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PURPOSE OF THE EMPLOYER MANUAL

The Employer Manual is designed to help you, the employer, with the tasks of paying and reporting contributions to the Kentucky Teachers' Retirement System (KTRS). It also serves as a reference on KTRS policies, procedures, and benefits. It should not be used to interpret laws, regulations, or policies. Interpretation of KTRS laws, regulations, and policies should be requested in writing to KTRS.

Two copies of the Employer Manual are provided to each school district: one for the payroll clerk and one for the district superintendent. Periodically, you will receive updates to the guide resulting from policy, procedure, or legislative changes. In addition to these updates, you will periodically receive Employer Bulletins. These bulletins are addenda and should be filed in the Employer Manual. The manual will also be available on the KTRS web site (www.ktrs.org).

THE ROLE OF THE EMPLOYER AND MEMBER

Employers provide a vital link between members and KTRS. As an employer, you forward member and employer contributions, report member earnings and service credit information, and disseminate information about KTRS to more than 93,000 members. Information you provide determines members' current service credit and retirement contributions and, thus, their future retirement benefits.

Because benefits from KTRS are based on service credit and contributions that you report, accuracy in reporting and payment is vital. KTRS's effectiveness in benefit administration rests largely on the reports you provide. Each employer should ensure that agency information (agency contacts, address and phone number) is up to date at all times. This will assure that the district receives updates to this manual and other important notices from KTRS.

RESPONSIBILITIES OF THE EMPLOYER

- Enroll all eligible employees in KTRS.
- Deduct retirement contributions from compensation paid to eligible members.
- Match the employee contributions and remit employee and employer contributions on forms prescribed by KTRS in a timely manner.
- Certify and submit all forms in a timely manner on behalf of the member at the request of the member or KTRS.
- Correct errors in prior reporting which are detected by the employer, the employee, or KTRS.
- Provide certification of member's previous employment and compensation for periods in which membership eligibility was in question.
- Advise and direct members regarding their KTRS status and benefit entitlement.
- Distribute KTRS information and material to members and all affected departments in your organization.
- Obtain clarifications of laws, regulations, and other information from KTRS in order to properly implement KTRS rules and procedures.

RESPONSIBILITIES OF THE MEMBER

- Complete membership and beneficiary forms.
- Review annual member statement.
- Advise KTRS of any errors in the Statement of Retirement Account.
- Advise KTRS of changes in name, address, Social Security number, beneficiary or other essential information.
- Plan for retirement by requesting estimates of retirement benefits and retirement application six months to one year prior to retirement and submitting all required forms prior to retirement.

GOVERNING STATUTES

(Chapter 161 of the Kentucky Revised Statutes, KRS 161.220 through 161.716)

The Kentucky Revised Statutes set forth the governing laws of the Kentucky Teachers' Retirement System. An unofficial version of these statutes may be viewed at the Legislative Research Commission website at www.lrc.state.ky.us. Additionally, KTRS periodically publishes an unofficial version of these statutes that is distributed to superintendents and school libraries. Be sure that any version that you consult is a current version as the General Assembly meets every year, making these statutes subject to annual amendment.

ADMINISTRATIVE REGULATIONS

(Title 102 of the Kentucky Administrative Regulations, 102 KAR 1:010 through 102 KAR 2:025)

The Kentucky Administrative Regulations are promulgated under the authority of the Kentucky Revised Statutes and likewise carry the force of law. These regulations contain important provisions for the administration of the retirement system.

BOARD POLICIES AND PROCEDURES

A nine-member Board of Trustees carries out the provisions of the Kentucky Teacher Retirement laws and regulations. Trustees include the Chief State School Officer (ex officio); the Kentucky State Treasurer (ex officio); and seven trustees who are elected by the active and retired members of KTRS. Of the seven elected trustees, four trustees are active members of the system, one trustee is a retiree, and two trustees are not members of the teaching profession. The board appoints the executive director, who is responsible for the administration of KTRS.

KTRS QUALIFIED PENSION PLAN STATUS

As a qualified pension plan subject to the Internal Revenue Code, Section 401(a), KTRS members receive the benefits of:

- tax-sheltering of mandatory retirement contributions in the year they are made to KTRS;

- deferral of income taxes on contributions until a member's retirement, at which time the member's effective tax rate may be lower; and
- tax-free accumulation of interest credited to each member's account.

To maintain the qualified pension plan status, KTRS must meet certain Internal Revenue Service requirements, including:

- annual benefit and contribution limitations,
- compensation that may be taken into account for benefit calculation purposes,
- benefit eligibility provisions,
- benefit distribution limitations, and
- rollover restrictions.

KTRS is dedicated to maintaining compliance with IRS requirements for qualified pension plans.

ADMINISTRATIVE REVIEW

(KRS 161.250(2)) Active contributing members, annuitants, and designated beneficiaries may appeal any decision by KTRS that materially affects the amount of their service retirement allowance, amount of service credit, eligibility for service or disability retirement, or eligibility for survivorship benefits, by requesting an administrative hearing pursuant to the provisions of KRS 161.250 (2) and Chapter 13B. Contact KTRS for more information about administrative reviews.

CONFIDENTIALITY

(KRS 161.585) All information contained in a member's record is confidential. This information is provided to the member upon request and to representatives of the member upon the member's written authorization. Information may also be provided to other state agencies subject to the Kentucky Revised Statutes. All medical records pertaining to a member are confidential and shall not be released unless authorized in writing by the member or unless otherwise specified by law.

KTRS provides information to and receives information from employers regarding an employer's active or retired members upon request. In order to protect vital member information, KTRS encourages employers to utilize a secure method of transmitting information via e-mail. Accordingly, it is KTRS policy to not send sensitive member information through e-mail unless there is a secured connection.

PUBLICATIONS

In addition to the *Employer Manual*, KTRS publishes the *Comprehensive Annual Financial Report*, a *Summary Plan Description*, a *KTRS Law Book*, and quarterly active and retired newsletters. KTRS also produces numerous brochures on a variety of benefit topics. Publications, forms, and general information are available by calling the KTRS Information Center at (800) 618-1687 or by visiting the KTRS web site at www.ktrs.org. Employers may e-mail KTRS at KTRS.info@mail.state.ky.us or call (888) 891-2696. Members may reach the Counseling Services Department by e-mail at KTRS.info@mail.state.ky.us or by calling (800) 618-1687.